

Message Text

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PAGE 01 NEW DE 03916 051733 Z

70

ACTION AID-59

INFO OCT-01 NEA-10 ADP-00 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 IGA-02 RSR-01 /127 W

----- 119083

R 051700 Z APR 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3590

UNCLAS NEW DELHI 3916

PASS OPIC

E. O. 11652: N/ A

TAGS: EAID, IN

SUBJECT: AID LOAN NO. 386- E-106

CHEMICALS AND PLASTICS LTD. (CHEMPLAST)

SUMMARY - CHEMPLAST HAS REQUESTED AID TO DEFER AND RESCHEDULE ITS FOUR PRINCIPAL REPAYMENTS DUE FROM AUGUST 1, 1971 TO FEBRUARY 1, 1973 AN REVISE ITS AMORTIZATION SCHEDULE AND EXTEND MATURITY DATE TO FEBRUARY 1, 1982. CHEMPLAST CONTINUES TO PAY INTEREST REGULARLY. USAID RECOMMENDS OPIC APPROVE CHEMPLAST REQUEST PROVIDE CHEMPLAST FURNISHES AID ACCEPTABLE BANK GUARANTEE EQUIVALENT OF TWO PRINCIPAL INSTALMENTS OF AID LOAN-- SUMMARY END.

1. FOR BACKGROUND INFORMATION ON CHEMPLAST OPERATIONS PLEASE REFER TO SALZMAN MEMO DATED JANUARY 28, 1970 RECOMMENDING APPROVAL OF CHEMPLAST EARLIER REQUEST TO DEFER AND RESCHEDULE ITS PRINCIPAL REPAYMENTS DUE FROM FEBRUARY 1,1970 TO FEBRUARY 1, 1971 AND ALSO REVISING ITS AMORTIZATION SCHEDULE EXTENDING FINAL MATURITY DATE SUBJECT LOAN TO FEBRUARY 1, 1980.

2. IN JUNE 1970 CHEMPLAST STARTED EXPANSION OF ITS INSTALLED CAPACITY FROM 6,000 TO 13,500 TONS PER ANNUM. PRESENTLY CHEMPLAST HAS COMPLETED ITS EXPANSION PLAN BUT UNABLE ACHIEVE EXPANDED PRODUCTION DUE TO SHORT SUPPLY OF ALCOHOL AND CHLORINE (MAJOR RAW MATERIALS) AND ELECTRIC POWER.

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3. CHEMPLAST EXPERIENCED SIZEABLE SHORTAGE OF ALCOHOL FROM SEPTEMBER 1971 TO JUNE 1972 DUE TO LIFTING OF PROHIBITION IN TER AN OPPORTUNITY TO EXERCISE CIVIL- MILITARY ARRANGEMENTS FOR PROVIDING CIVIL AIRLIFT TO MEET MILITARY REQUIREMENTS.

5. WE SUGGEST THAT SCENARIO SHOULD ALSO INCLUDE ECONOMIC/ POLITICAL SITUATIONS IN AFRICA AND LATIN AMERICA EXACER- BATING FURTHER THE OIL SITUATION BY DENYING OR THREATEN- ING THE DENIAL OF OIL TO NATO FROM NATIONS IN THESE AREAS.

6. U. S. PARTICIPATION WILL BE SIMILAR TO THAT IN HILEX V, WITH A RESPONSE CELL AT STATE DEPARTMENT IN WASHINGTON AND SUPPORT STAFF FROM U. S. IN BRUSSELS DURING EXERCISE. ROGERS

SECRET

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

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Disposition Approved on Date:
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Executive Order: n/a
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30 JUN 2005

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